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Secretariat

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# Information circular*

To: Members of the staff**

From: The Under-Secretary-General for Management

Subject: **After-service health insurance: eligibility for subsidy to contributions to Medicare**

1. The purpose of the present circular is to inform staff members of the eligibility and other conditions for a subsidy related to participatory contributions in Medicare Part B, a component of the Medicare national health insurance programme administered by the United States of America. This circular complements administrative instruction ST/AI/2007/3 and applies primarily to United States citizens and United States permanent residents.

## Section I
## Eligibility

2. All former staff members and dependents (including surviving spouses and eligible dependent children) who are enrolled as participants in the after-service health insurance and who qualify for participation in Medicare will receive a subsidy equal to 100 per cent of their contribution towards participation in Medicare Part B as of 1 January 2011, subject to the following conditions:

(a) Those after-service health insurance participants who are already enrolled in Medicare Part B are eligible to receive the subsidy;

(b) Those after-service health insurance participants who are eligible to participate in Medicare Part B, who are not yet 75 years of age on 1 January 2011, and who are not currently enrolled, must enrol in Medicare Part B during the Medicare enrolment period from 1 January to 31 March 2011 to qualify for the subsidy. Normal age of eligibility for Medicare Part B is 65. However, there are provisions for participants determined disabled by the United States Social Security Administration to join Medicare Part B before reaching the age of 65;

(c) Those after-service health insurance participants who are eligible to participate in Medicare Part B who on 1 January 2011 are 75 years of age or over

* Expiration date of the present circular: 30 June 2012.

** A copy of the present circular will be sent to former staff members who are current participants in a United States-based plan of the after-service health insurance programme.

and who are not currently enrolled in Medicare Part B, must request approval of the Secretary-General prior to enrolling in Medicare Part B in order to qualify for the subsidy towards participation in Medicare Part B. Approval will not normally be given to eligible after-service health insurance participants who on 1 January 2011 are 85 years of age or older. Where approval is granted, enrolment must also be completed during the Medicare Part B enrolment period from 1 January to 31 March 2011 to qualify for the subsidy;

(d) After-service health insurance participants who become eligible for Medicare Part B after 1 January 2011 must enrol in Medicare Part B as soon as they become eligible in order to qualify for the subsidy;

(e) If the Medicare Part B contribution includes a penalty for late enrolment, the subsidy will be limited to the contribution without the penalty. However, after-service health insurance participants who are over 65 years of age on 1 January 2011 and who enrol in Medicare Part B during the Medicare enrolment period from 1 January to 31 March 2011, where applicable with the required approval in accordance with paragraph 2 (c) above, and those after-service health insurance participants who were already enrolled in Medicare Part B on 1 January 2011, will receive full reimbursement for any late enrolment penalty.

**Section II**
**Method of payment of the subsidy and proof of contribution to Medicare**

3. The subsidy will normally be paid by reducing the after-service health insurance contribution deduction from the participant's monthly pension benefit. Where the after-service health insurance contribution deduction is less than the contribution for participation in Medicare Part B, the balance will be paid by cheque or by electronic fund transfer quarterly in arrears, unless the amount of the balance is less than $100 a month, in which case the balance will be paid once a year in arrears.

4. After-service health insurance participants participating in Medicare Part B must provide a copy of their Medicare statement to the Insurance and Disbursement Service of the Accounts Division, Office of Programme Planning, Budget and Accounts, as evidence of payment of the Medicare Part B premium on a yearly basis in order to receive the subsidy.

**Section III**
**Effective date of the subsidy**

5. The subsidy will be payable from 1 January 2011 for after-service health insurance participants who are already covered by Medicare Part B, or from the date on which the after-service health insurance participant first becomes covered by Medicare Part B thereafter.

**Section IV**
**Adjudication of after-service health insurance claims after 1 January 2011**

6. After-service health insurance participants in a United States-based plan who are eligible to participate in Medicare Part B but despite the 100 per cent subsidy towards their contribution decide not to do so will have their after-service health

insurance claims assessed as if they were participants in Medicare Part B unless they were 75 years of age or older on 1 January 2011.

7. Claims for treatment received through care providers that have opted out of Medicare will be reviewed and assessed as if the after-service health insurance plan was the primary plan.

8. After-service health insurance participants in a United States-based plan who are not eligible to participate in Medicare Part B despite being 65 years of age or older must inform the Insurance and Disbursement Service of their ineligibility and why they are ineligible. Their claims will continue to be assessed as before.

**Section V**
**Effective dates of coverage**

9. For those after-service health insurance participants who must enrol in Medicare Part B between 1 January and 31 March 2011 in order to qualify for the subsidy and who are over 65 years of age, the effective date of coverage under Medicare Part B will be 1 July 2011. From 1 January to 30 June 2011, their after-service health insurance claims will continue to be assessed as before.

10. The after-service health insurance participants in the Aetna plan who are enrolled in Medicare Part A, and who are eligible to participate in Medicare Part B and enrol between 1 January and 31 March 2011, will continue to have their after-service health insurance deductibles and co-payments waived during the transition period from 1 January to 30 June 2011.

11. From 1 July 2011, all deductibles and co-payment waivers will be eliminated and fully replaced by the reimbursement of the Medicare Part B premium to those participants enrolled in Medicare Part B.